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SCHEDULE A - 4

RESIDENTIAL REHABILITATION ASSISTANCE  
PROGRAM (RRAP) FOR THE DISABLED  
NEW BRUNSWICK

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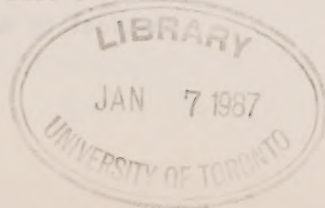
The homeowner component of this Program will be delivered and administered by the New Brunswick Housing Corporation (NBHC). The rental component will be delivered and administered by Canada Mortgage and Housing Corporation (CMHC).

1. OBJECTIVE

To assist in the repair, improvement or modification of existing homeowner or rental housing to improve the accessibility of the dwelling unit for disabled persons.

2. PROGRAM DESCRIPTION

RRAP for the Disabled will provide financial assistance to owners of housing accommodation to improve the accessibility of rental and ownership units occupied or intended to be occupied by disabled persons. Assistance is for eligible repairs in the form of a full term loan, a portion of which may be forgiven over a period of time depending on the income for homeowners and signing a rental agreement for landlords. The assistance is available on a universal basis throughout New Brunswick. Eligible program costs of the entire program will be shared on a 75/25 basis between Canada and New Brunswick, notwithstanding that the rental component is delivered and administered by CMHC. References throughout this Schedule to delivery and administration activities by NBHC shall be taken to mean CMHC in the case of a RRAP loan for disabled made to a landlord.



- 2 -

Enabling Federal Legislation

National Housing Act:

- . Loans - Section 34.1;
- . Loan Forgiveness - Section 34.11;
- . Protection of Security - Section 55.

Enabling Provincial Legislation

New Brunswick Housing Act:

- . Section 10(1)(g), 10(1)(h) and 10(2)(i).

3. ELIGIBILITY CRITERIA

3.1 Delivery Agents

Housing Agencies and other groups or individuals are eligible to act as delivery agents. Criteria for the qualification of delivery agents will include such elements as technical and financial expertise and will be determined by NBHC and CMHC. Agents will be paid a fee in relation to functions performed. The existing delivery agent network will be retained for 1986. Additional eligible agents required in 1986 and future years will be determined by NBHC in accordance with jointly agreed criteria.

3.2 Disabled Occupants

Disabled person means any person who, as a result of a deficiency, either congenital or not, in his or her physical or mental capability, is unable to ensure by



- 3 -

himself or herself the necessities and social life of a normal individual. RRAP for the Disabled will be available to eligible disabled persons on a universal basis throughout New Brunswick.

### 3.3 Properties

The program will be available to homeowners and landlords undertaking acceptable accessibility work, as specified in program guidelines, to improve a dwelling occupied or intended to be occupied by disabled persons. Any housing projects receiving ongoing federal or provincial social housing subsidies are not eligible, such as special care homes or nursing homes, except where rent supplement is being provided on private rental accommodation.

No loan may be made unless NBHC and CMHC are satisfied that the occupancy and maintenance of the dwelling will conform to CMHC Standards for the Rehabilitation of Residential Buildings ("RRAP Standards") after repair or modification.

### 3.4 Earning of Loan Forgiveness

In addition to the terms and conditions of the loan commitment, continued ownership and occupancy for five years for homeowners and adherence to a fifteen year rental agreement for landlords are requirements for the earning of loan forgiveness in equal annual installments.

- 4 -

4. ELIGIBLE PROJECT COSTS/ASSISTANCE

Eligible project costs include, but are not limited to, the cost of eligible accessibility modifications, based on accepted contractors' bids or inspectors' estimates, which render the dwelling unit more accessible, plus legal fees, interest on repayable advances, building permits and the cost of drawings and specifications.

Eligible project costs may be financed through a forgivable loan of up to \$5 000 provided to homeowners and landlords. Regular homeowner and rental rehabilitation assistance for eligible repairs will also be available to eligible homeowners and landlords and will be calculated independently.

The maximum \$5 000 forgivable loan will be provided to homeowners with adjusted incomes up to \$23 000. The forgivable loan will decline one dollar for each two dollars of income above \$23 000 and reach zero at an income of \$33 000. The definition of adjusted income is attached as Appendix "1" to this Schedule. Direct repayable loans of up to \$10 000 (including the forgivable loan) will also be made available to homeowners, on a residual basis, at the Section 34.1 NHA interest rate.

The maximum assistance to be provided to landlords is equal to the cost of repairs up to \$5 000 per self-contained unit and \$2 500 per bed-unit.



- 5 -

5. PROJECT SELECTION/DELIVERY PROCESS

5.1 Client Selection Criteria

Priority will be given to clients based on income and the level of repair/modification required to accommodate the applicants' disability.

5.2 Delivery Process

NBHC will ensure that funds for this program are allocated in accordance with the approved three-year plan attached as Schedule B of the Operating Agreement.

Delivery agents other than NBHC will enter into an Agency Agreement with NBHC, acceptable to NBHC and CMHC, which will stipulate the scope, terms, conditions, roles and responsibilities of the agent.

NBHC will be responsible for training, provision of information and explaining program guidelines to delivery agents and will monitor the performance of agents. In addition, NBHC is responsible for loan commitment, obtaining loan security, loan advancing and loan administration. NBHC will also conduct periodic monitoring inspections of dwellings to ensure adherence to guidelines and standards. CMHC shall be responsible for the rental component of RRAP for the Disabled.

The delivery agent will be responsible for the explanation of the program to potential applicants, the inspection of the property to establish eligible repairs, the

- 6 -

job specification and cost estimates, financial analysis and loan interview, loan recommendation, progress and final inspections and such other responsibilities as stipulated in an agency agreement between NBHC and the delivery agent.

6. COMMITMENT

NBHC will approve loan commitments based on the recommendation of the delivery agent after reviewing the application package to ensure compliance with program guidelines. A loan commitment under Section 34.1 will be deemed to be made on the date the loan recommendation is approved by NBHC. The interest rate will be established by NBHC and CMHC and will be set in accordance with program guidelines. NBHC will deliver to CMHC a notice of commitment on a form provided in the program guidelines within five (5) working days of the end of the month in which the commitment is made.

Commitments will be cancelled if rehabilitation has not been started within six months of the date of the notice of commitment.

6.1 Commitment Notification/Publicity

All news releases or announcements pertaining to budget allocations or commitments to a project will be in accordance with the Operating Agreement and the Program Guidelines.

RESIDENTIAL REHABILITATION ASSISTANCE  
PROGRAM (RRAP) FOR THE DISABLED  
NEW BRUNSWICK

SCHEDULE A - 4

- 7 -

6.2 Loan Security

Where New Brunswick is the Active Party and wishes to take the individual mortgage securities in its own name, a Trust Agreement shall be entered into between CMHC and NBHC.

Security for both forgivable and repayable components will be by mortgage or such other security as is deemed adequate by CMHC. Loans of up to \$10 000 may be secured by a promissory note. A mortgage will be taken on the dwelling when the total loan or loans to any one owner exceed \$10 000.

7. ADVANCING

Where a loan commitment has been made, NBHC will ensure that the appropriate loan security has been obtained prior to any advances being made.

NBHC will make advances based on progress inspections of work completed. Loan advances will be made against the forgiveness portion of the loan first and then against any repayable portion. Prior to a final advance being made, NBHC will ensure that all repairs have been completed and comply with RRAP Standards.



- 8 -

8. PROJECT/PORTFOLIO ADMINISTRATION

An amortization period of up to 20 years is available for repayable loans which shall not exceed the useful life of the dwelling.

NBHC will be responsible for loan administration after the account has been fully advanced. This will include earning of loan forgiveness, occupancy verifications, sale of properties, collections, arrears action, postponement of mortgage security, default procedures, legal action and other requirements in accordance with the program guidelines.

In the event that the mortgaged property is acquired under foreclosure and capital funds will be required from CMHC, title must be taken in the name Canada Mortgage and Housing Corporation in order to effect recovery from the federal government. In these cases, approval must be obtained from CMHC prior to taking any legal action. Acquisition of title is not covered by the Trust Agreement referred to in 6.1 Security.

8.1 Rental Agreements (CMHC Delivery)

The landlord must be willing to enter into a fifteen year rental agreement which will specify allowable rents for the period of earning the loan forgiveness. Rental agreements must be executed by CMHC. During the period



- 9 -

of the rental agreement, rent increases above the allowed annual maximum must be approved by CMHC and must be in conformance to any provincial rent control/review legislation.

9. ELIGIBLE PROGRAM COSTS

The eligible annual costs of the program will be shared by CMHC and NBHC on a 75/25 basis.

9.1 Budgetary Costs

Budgetary costs include:

- a) Loan Forgiveness - Upon advancing, that portion of a RRAP loan which is forgiven, as described in Section 4 Eligible Project Costs/Assistance.
- b) Repayable loans which are deemed uncollectible and written off.
- c) Acquisition costs not recovered on resale - In the case of acquisitions funded under Section 55 NHA, these will be funded on a 75/25 basis, in all other cases, these costs will be funded 100% by NBHC.
- d) Agency Fees - Eligible charges for agency fees payable to a delivery agent for each loan commitment, as described in Appendix "4" to this Schedule. These will not be applicable where NBHC is delivering the program directly.

- 10 -

- e) Financing Interest - Any financing interest payable on budgetary receipts and disbursements will be calculated at an interest rate acceptable to NBHC and CMHC. Interest in such cases will be calculated on the net expenditures to the date of reimbursement.
- f) Publicity - The eligible costs of program and project publicity measures and materials as agreed upon by NBHC and CMHC.
- g) Program Delivery and Administration Costs - Eligible annual costs of delivery and administration based on performance standards acceptable to CMHC.

9.2 Non-Budgetary Costs

Non-budgetary costs include:

- a) Repayable and forgivable RRAP Loans - That portion of a RRAP loan which is to be repaid, as described in Section 4 Eligible Project Costs/Assistance. Upon default, unearned forgiveness becomes repayable.
- b) Eligible Interest - Interest on repayable advances accumulating up to the Interest Adjustment Date at the project's commitment rate of interest.
- c) Acquisition of Property - The costs of property acquisition where acquired in order to protect the loan security. In the case of acquisitions funded under



- 11 -

Section 55 NHA, these will be funded on a 75/25 basis, in all other cases, these costs will be funded 100% by NBHC.

10. BUDGETING AND CLAIMS

The financial reporting requirements for budgeting and claims are outlined in Appendix "3" to this Schedule and specified in the program guidelines.

11. INFORMATION REQUIREMENTS

NBHC will ensure that all information requirements outlined in Appendix "2" of this Schedule, and specified in program guidelines are provided to CMHC.

Commitment data will be provided no later than five (5) working days following the month a commitment is made. Updates to previously communicated commitment data will be transmitted on a similar basis.

In matters pertaining to monitoring delivery agents, the Planning and Monitoring Committee will determine a sample inspection requirement which will permit the assessment of agents' compliance to program guidelines and their delivery performance. An approved sampling approach will also be used to examine the extent to which landlords comply with their rental agreement.

CMHC and NBHC will have full access to the results of the above.

### DEFINITION OF ADJUSTED INCOME

The total income of the household is the aggregate income, in whatever form received, of the principal income earner and spouse and 25% of the income of all other permanent household members, excluding the income of children in full-time attendance at school.

Income includes:

- Salary, wages, commissions, rents, investment income, part-time earnings, tips, alimony maintenance payments and child support received from a separated/divorced spouse, etc.;
- Unemployment Insurance Benefits, Social Assistance, Mother's Allowance, Welfare, and Family Allowances;
- Old Age Security Pension, Canada Pension Plan, private pensions, disability pensions, annuities, etc.

For purposes of establishing the forgivable loan amount, NBHC will determine the annual "adjusted income" of the household in the following manner:

Exclude from the income of the household:

- family allowances;
- alimony maintenance payments or child support paid to a separated or divorced spouse;

Deduct from the income of the household:

- \$300 for each dependent, includes children in full-time attendance at school and any other dependents with no income;
- work-related earnings of a single parent or working spouse to a maximum of \$1000;

In those cases where an applicant or permanent household member is self-employed, the following applies: The annual income for self-employed individuals is the net income (gross revenue minus expenses) plus capital cost allowances. Examples of assets subject to capital cost allowance are vehicles, buildings, equipment, etc.

A verification/confirmation of income must be obtained for all applicants. For example, a statement signed by the employer, or in the case of self-employed, a copy of the most recent income tax return or other evidence satisfactory to NBHC.

NOTE: Boarders unrelated to the applicant or spouse are not considered to be permanent household members. The net rents received from such boarders for room and board are to be included in total household income.



INFORMATION REQUIREMENTS: SUMMARY

Commitment Data:

- . this data is submitted by way of commitment forms;
- . the commitment forms shall contain the following generic data elements:
  - property and client addresses;
  - household composition;
  - household income;
  - Native ancestry;
  - number of disabled person;
  - nature of disability;
  - household's debt and capacity to pay;
  - post-RRAP basic shelter costs;
  - description of work done:
    - type and cost of repairs;
  - financing of repair costs:
    - amount of loan and financing conditions,
    - loan forgiveness obtained;
  - project description:
    - building type,
    - age of building,
    - location codes;
  - delivery agency identifier;
  - agency fee information;
  - rural/urban indicator;
  - account identification information;
- . this information, or part of it, will be updated through a project's life cycle (eg.: loan increases, decreases or cancellations to the point of establishment of IAD and final cost).

## BUDGETING AND CLAIMS

The financial reporting requirements for budgeting and claims can be grouped by the following categories:

- A. Budget Preparation
- B. Budget Administration
- C. Commitments
- D. Claims
- E. Annual Information - Audited  
- Unaudited
- F. Budgetary Expenditure Accruals

For the Residential Rehabilitation Assistance Program for the Disabled all budgeting, claims and reporting will be segregated into the following activities unless otherwise indicated:

RRAP - Disabled Homeowner  
RRAP - Disabled Rental  
Security Protection

### A. BUDGET PREPARATION

A three-year financial plan is developed on an annual basis as part of the joint planning process. It identifies planned commitment levels, expenditure levels, and cash flow patterns over the planning period which includes the budget year and the following two years. Commitment activity is planned on a calendar basis whereas expenditure activity is planned on a 31 March fiscal year basis. Cash flow is presented on both a calendar and fiscal year basis for five years. Commitment, expenditure and cash flow estimates for the year preceding the budget year and the two years following the budget year are presented for planning, information and monitoring purposes only.

Budget limits for the budget year are established in Schedule B to the Operating Agreement.

Three-year plans will be established by activity for the following areas:

- 1. Commitments - Units
  - 2. Commitments - Budgetary  
- Non-budgetary
  - 3. Budgetary Expenditures
  - 4. Cash Flow Forecast - Budgetary  
- Non-budgetary
1. Commitments - Units

Schedules of units committed and the associated repayable loans will be used to derive the forecasts of non-budgetary expenditures. Schedules of units committed and the associated forgivable loans will be used to derive forecasts of budgetary expenditures.

Data on characteristics of the proposed units (average unit repair costs, total repair costs of the units that will be amortized, projected interest rates, amortization periods, average forgiveness amounts and phase-in rates (pattern of proposed interest adjustment dates) will be required to support the derivation of expenditures.



A. BUDGET PREPARATION (Cont'd)

2. Commitments - Budgetary

Commitments for forgivable loans will be expressed in terms of budgetary dollars required.

- Non-budgetary

Commitments for loans (including both repayable and forgivable components) will be expressed in terms of capital (non-budgetary) dollars required and will be supplemented by data on characteristics of proposed units as described under 1 (Commitments - Units). Where action will be taken to protect the RRAP security, commitments will be expressed in terms of capital (non-budgetary) dollars required.

3. Budgetary Expenditures

For RRAP-disabled, budgetary expenditures will be displayed by type of expenditure (forgivable loans, loan losses, agency fees, delivery and administration costs, and financing interest) in accordance with program guidelines.

4. Cash Flow - Budgetary

A summary of the expected quarterly cash flow of budgetary expenditures will be provided to assist in cash management.

- Non-budgetary

A summary of the expected quarterly cash flow of non-budgetary expenditures for RRAP loans will be provided to assist in cash management.

B. BUDGET ADMINISTRATION

The approved annual budget is contained in Schedule B of the Operating Agreement. Changes to an approved budget must be determined and communicated in accordance with the Operating Agreement and the guidelines.

C. COMMITMENTS

Commitments for loans will be reported in capital dollars; and commitments for forgiveness will be reported in budgetary dollars.

Notice of commitment forms for commitments made in the month will be submitted by NBHC to CMHC within five (5) working days following the end of the month in which the commitment was made. CMHC shall acknowledge receipt of commitment forms.

D. CLAIMS

Claims for settlement between the parties will be submitted on a monthly basis within thirty days of the end of the month to which the transactions relate. Claims will contain sufficient information to permit:

- a) interim verification that the amounts being claimed or remitted are reasonable and within approved budgets;
- b) the recording of the necessary accounting entries relating to budgetary and non-budgetary expenditures and asset balances; and
- c) the monitoring of the status of the portfolio through continuity schedules of units committed, units under subsidy and asset balances.

The entire financial activity of the program shall be reported by NBHC, together with each party's proportionate share of expenditures.

Budgetary expenditures related to prior year accruals will be reported.

Amounts claimed for budgetary expenditures may be based upon estimates of actual activity. Estimates must be adjusted to actual on a periodic basis in accordance with program guidelines.

The monthly claim for the Residential Rehabilitation Assistance Program for the Disabled will include:

1. Continuity Schedule: Asset Balances and Units.

This schedule is required to enable CMHC to monitor the status of the portfolio in terms of non-budgetary expenditures and units, both under advancing and under repayment. Sufficient information will be included on commitments, advances, interest, forgivable loans, arrears, forgiveness, and other asset related activity to ensure that advances plus interest are within commitment amount and to record financial activity not requiring cash settlement.

2. Expenditures

A report of actual disbursements and receipts or an estimate of actuals for the month is required to monitor the financial impacts of program activity and to inform CMHC of its share of the expenditures.

The financial data will be displayed by program activity and expenditure category consistent with budget requirements. Sufficient data will be provided to support the agency fees and delivery and administration costs claimed.

The report will also disclose the respective share of the expenditures of each party and the amounts for which reimbursement is being requested by NBHC.



E. ANNUAL INFORMATION - AUDITED

The audited statement of budgetary and non-budgetary expenditures will provide an independent verification of the proper use of funds in accordance with the Operating Agreement and program guidelines and will be used to determine the final amount payable to or recoverable from NBHC for the fiscal year ending 31 March.

The audited statement and its supporting schedules will contain information at a level similar to that provided on the monthly claims.

Budgetary expenditures will be broken down by year of commitment in a supporting schedule.

Audited information will be submitted no later than 30 September.

ANNUAL INFORMATION - UNAUDITED

Annual outstanding commitment and asset balance information, by account, as at 31 December will be submitted for planning and monitoring purposes and to support information contained in CMHC's records.

Outstanding commitment information will be classified by year of commitment and show the total advances to date including interest, if any, for loans and training funds.

This information is required to reconcile the detailed asset and commitment files maintained by CMHC to those of NBHC.

Unaudited information must be submitted to CMHC no later than 31 January.

F. BUDGETARY EXPENDITURE ACCRUALS

Budgetary expenditures which have been incurred but not disbursed within the fiscal year ending 31 March and which, in accordance with program guidelines, should be charged to the budget for that year, will be reported by NBHC by 30 April. This information will be certified by a senior financial officer of NBHC. Estimates of the accruals can be submitted at this time but will have to be adjusted to actuals when the final audited statement of expenditures is submitted.

DELIVERY AGENT FEE SCHEDULE

Those agents not performing all of the delivery functions will be paid on a pro-rata basis for those functions actually performed. The table below shows the distribution of the fee, by function, as well as by category of loan.

Les agents qui n'accomplissent pas tout le travail d'application seront payés au pro-rata des tâches accomplies. Le tableau suivant donne la distribution du droit par étape et par catégorie de prêt.

REFERENCE FEE CHART/  
TABLEAU DES DROITS D'AGENCE

	Category I/Catégorie I *			Category II/ ** Catégorie II	
	A	B	C	A	B
	Up To/ Jusqu'à 100 km	101-250km	251 km +	Up to/ Jusqu'à 250 km	251 km +
- Administrative/Administration	\$ 230.00	\$ 260.00	\$ 285.00	\$ 315.00	\$ 350.00
. Each additional unit/ Chaque logement additionnel	15.00	15.00	15.00	15.00	15.00
. Each additional bed-unit/ Chaque lit additionnel	7.00	7.00	7.00	7.00	7.00
- Technical-Initial Inspection/ Technique-Inspection initiale	\$ 160.00	\$ 185.00	\$ 200.00	\$ 230.00	\$ 255.00
. Each additional unit/ Chaque logement additionnel	35.00	35.00	35.00	35.00	35.00
. Each additional bed-unit/ Chaque lit additionnel	17.50	17.50	17.50	17.50	17.50
- Technical-Progress Inspection/ Technique-Inspections d'étape	\$ 210.00	\$ 240.00	\$ 265.00	\$ 290.00	\$ 330.00
. Each additional unit/ Chaque logement additionnel	20.00	20.00	20.00	20.00	20.00
. Each additional bed-unit/ Chaque lit additionnel	10.50	10.50	10.50	10.50	10.50
- All Delivery Functions carried out/ Exécution de toutes les étapes d'application	\$ 600.00	\$ 685.00	\$ 750.00	\$ 835.00	\$ 935.00
. Each additional unit/ Chaque logement additionnel	70.00	70.00	70.00	70.00	70.00
. Each additional bed-unit/ Chaque lit additionnel	35.00	35.00	35.00	35.00	35.00

\* Unit is accessible by road/Le logement est accessible par route.

\*\* Unit is not accessible by road/Le logement n'est pas accessible par route.